upon by the Empowered Committee. The Empowered Committee has decided that the rate of VAT on biscuits shall be 12.5%.

So far as rationale behind imposition of excise duty on biscuits is concerned, major raw material/inputs for manufacturing biscuits are wheat flour, vanaspati, preservatives and sugar, which are non perishable in nature, whereas raw materials used in ketchup, sauces, jams, juices, cheese and butter are perishable fruits, vegetables, milk and cream. Emphasis of the Government is for efficient and maximum utilization of perishable farm produce.

(c) As stated in reply to part (b) above, the Empowered Committee has decided that the rate of VAT on biscuits shall be 12.5%.

As regards excise duty, small scale/tiny units having annual turnover of less than Rs. 4 crore (during preceding financial year) are eligible for excise duty exemption on clearance of Rs. one crore in a financial year. The request for exempting biscuits from excise duty was examined and it was felt that apart from revenue loss, general exemption from whole of excise duty would remove the advantage available to the unorganized sector. Since imported biscuits are charged to CVD, equal to that of excise duty, a general exemption from whole of excise duty would reduce the protection level to domestic industry, as in that case CVD on imported biscuits will become nil, whereas the domestic manufacturers will have to bear inputs taxes in the range of 4% to 6%.

Flow of NRI investment

208. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) the percentage of N. R. I. Investment to the total foreign direct investment inflows in the country; and

(b) what steps are being taken by Government to attract more NRI investment for the overall development of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The amount of N.R.I. investment inflows from August, 1991 to December, 2005 was Rs. 9,650.64 crore constituting 6.30 per cent of the total Foreign Direct Investment (FDI) inflow.

(b) The general policy and facility for Foreign Direct Investment (FDI) as available to foreign investors/companies are fully applicable to

Non-Resident Indian (NRIs) as well. In addition, Government have extended additional opportunities for NRIs which include (i) investment in domestic airlines upto 100% and (ii) investment by individual NRI beyond 24% in small scale industries provided they do not have a stake in any other industrial undertaking. NRIs are allowed also to make bulk investment for revival of sick units to the extent of 100%. They are also allowed to invest without any limit on non-repatriable basis in Indian companies and proprietary/partnership concerns subject to the investee company/firm not being engaged in agricultural/plantation activity, real estate business, chit fund or Nidhi company activities.

Policy on disinvestment of Government companies

209. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any concrete policy to disinvest Government companies;

(b) if so, the details thereof;

(c) whether Government desire to disinvest profit-making companies and Navaratna companies earlier than loss-making companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) The National Common Minimum Programme (NCMP) adopted by the Government outlines the policy of the Government with respect to the Public Sector, including disinvestment of Government's equity in Central Public Sector Enterprises (CPSEs). The salient features of NCMP in this regard are as follows:—

(i) The Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. But for this, there is need for selectivity and a strategic focus. The Government is pledged to devolve full managerial and commercial autonomy to successful, profit-making companies operating in a competitive environment. Generally profit-making companies will not be privatised.

(ii) All privatizations will be considered on a transparent and consultative case-by-case basis. The Government will retain